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Held at Headquarters, New York,
on Monday, 10 February 1992, at 3 p.m.

President: Mr. BREITENSTEIN (Finland)

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The meeting was called to order at 3.15 p.m.

UNITED NATIONS DEVELOPMENT PROGRAMME GULF TASK FORCE (DP/1992/4 and 5)

1. Mr. ATTIGA (Assistant Administrator) introduced the report of the Administrator on a funding strategy for the socio-economic and environmental recovery of countries affected by the Gulf crisis of 1990/1991 (DP/1992/5). The report summarized the views expressed at a meeting held in New York on 16 December 1991 with a view to establishing a funding strategy, in accordance with Governing Council decision 91/21. While countries affected by the Gulf crisis had sought support for funding proposals, most donor countries had felt that continued needs should be financed bilaterally. Donor countries believed that UNDP should focus on areas in which it had a clear comparative advantage, such as regional programmes, and that existing resources, including Special Programme Resources should be used. They had seen no need for a continued central funding mechanism within UNDP, and did not believe a pledging conference would attract additional resources.

2. The report therefore proposed a funding strategy whereby country-specific proposals would be handled bilaterally (para. 11) and UNDP resident representatives would assist countries, on request, in aid coordination and the submission of proposals to the donor community.

3. In the newer phase, UNDP would thus focus its efforts on regional programmes in the areas of human development and returnees; management of the economic impact of the crisis; and the environment, under the supervision of the United Nations Environment Programme (UNEP). The UNDP Gulf Task Force would cease to exist after the current session of the Governing Council, and its activities would be transferred to the relevant UNDP units or international or regional bodies.

4. UNDP resources for dealing with the impact of the crisis were extremely limited. Indeed, that was precisely what had led the Governing Council to convene a meeting of the international community. Discussions had been held with relevant UNDP units regarding the use of Special Programme Resources for regional programmes on returnees and the environment. Funding was being sought for a $9.5 million UNDP/ILO programme to assist returnees in Arab and Asian States. The purpose of the programme would be to strengthen national capacities in labour market information systems and training, and launch pilot projects in small enterprise development, direct employment and self-employment. The United Nations Development Fund for Women had proposed a $3-million programme to assist women in Yemen, Jordan and Lebanon. It had committed $1 million from its own funds, and was hoping to finance the balance under a cost-sharing arrangement. UNDP was also considering support for national capacity-building to deal with environmental emergencies under Consolidated Rehabilitation Programme of UNEP.

(Mr. Attiga)

5. Special Programme Resources could indeed play a useful catalytic role in innovation, coordination and resource mobilization, but they fell far short of the millions of dollars required. Particularly pressing was the need to resettle over 3.5 million returnees who had lost their savings and their livelihood. He urged the Governing Council to consider allocating additional resources for help to affected countries, and particularly, for assistance to returnees.

6. Mr. ELLIS (United Kingdom) expressed surprise that certain items originally scheduled for consideration later in the week had been included in the agenda of the current meeting.

7. The PRESIDENT said that, in the interest of saving time, he had hoped to proceed as far as possible on a number of agenda items.

8. Ms. ESKELINEN (Finland) said that her delegation fully endorsed the Administrator's proposal to handle country-specific activities bilaterally, as it would ensure an efficient utilization of resources.

9. It had a number of reservations, however, concerning the proposal for a regional component. First, the use of Special Programme Resources for a returnee programme did not seem justified. The integration of returnees and the developmental impact of programmes and projects for returnees should be a high priority of the affected countries themselves. Therefore, funding for such purposes should be included in the indicative planning figures (IPFs) of those countries. Second, the large-scale proposal by the Development Fund for Women went beyond the scope of the Fund's catalytic role. Integrating the Fund's extensive experience and know-how in women in development into operational programmes and projects of other organizations would be much more beneficial. Third, it was difficult to justify the priority accorded to Central and Eastern European countries in trade and energy (DP/1992/5, para. 12 (b)). The Gulf crisis had had adverse effects on the trade and energy supply of almost all developing countries, particularly in Africa. Assistance to Central and Eastern Europe was a much larger issue which should not be part of a funding strategy to deal with the Gulf crisis.

10. UNDP participation in alleviating the environmental impact of the crisis was acceptable to her delegation. Her delegation also agreed that the UNDP Gulf Task Force had completed its work and should cease to function after the current special session of the Governing Council.

11. Mr. BARAC (Romania) said that, having incurred losses of nearly US$ 3 billion, Romania was among those countries most severely affected by the Gulf crisis. Its entire national economy and the living conditions of its people had deteriorated at the most difficult and challenging period in its history. Assistance received from the international community thus far was insignificant compared to Romania's tremendous needs. Without additional assistance from UNDP, other international organizations and donor countries, Romania's transition to democracy and a market economy would be jeopardized.

(Mr. Barac, Romania)

12. His delegation appreciated the efforts by the Administrator and the UNDP Gulf Task Force. It wished to point out that the working paper entitled "Project Abstracts", prepared for the UNDP meeting held on 16 December 1991, contained much useful information that was not included in document DP/1992/4. Romania supported the strategy proposed by the Administrator in document DP/1992/5, but felt that it would not be sufficient to address the needs of all the countries affected by the crisis. The strategy would not cover national projects in Romania, for example. Moreover, even if all national and regional projects identified by the Gulf Task Force were fully implemented, that would not be sufficient to deal with the long-term effects of the crisis. For that reason, other sources of funding, including Special Programme Resources, should be considered. The impact of the Gulf crisis should also become a supplementary criterion for the allocation of indicative planning figures in the fifth programming cycle.

13. Miss JANJUA (Pakistan) said that the proposal for bilateral funding of country-specific activities was not consistent with the principles of multilateralism and neutrality of UNDP. Furthermore, document DP/1992/4 did not contain all the proposals which had been submitted to UNDP by the countries affected, including Pakistan. In that respect, the "Project Abstract" circulated at the meeting of 16 December 1991 was more comprehensive. It would therefore be unjust to base decisions on funding solely on document DP/1992/4.

14. The funding strategy proposed in document DP/1992/5 ignored the adverse impact of the Gulf crisis on the economies of the countries of South Asia. Pakistan had suffered as a result of a decline in remittances from abroad and in trade earnings, and as a result of a higher oil import bill, and it had to cope with a large number of returnees. Such needs were not taken fully into account in the Administrator's proposal.

15. Her delegation did not agree that the Gulf Task Force had completed its work. Individual projects submitted in December 1991 must still be reviewed. The Task Force must also ensure the implementation of such projects.

16. Mr. MARQUES (Portugal), speaking on behalf of the 12 States members of the European Community, said that the report of the Administrator provided a comprehensive inventory of multilateral and bilateral projects to deal with the impact of the Gulf crisis. The Twelve agreed that it was not necessary to follow up projects that had either been concluded or were already in progress and did not require further supervision.

17. Ms. POLLACK (United States of America) agreed that the UNDP Gulf Task Force had carried out the mandate assigned to it in February 1991. Her delegation supported the proposed funding strategy, which provided valuable information on the financing required to revive the development process in affected countries. In future, UNDP funding for such activities should be drawn from current resources, including indicative planning figures and

(Ms. Pollack, United States)

Special Programme Resources. In that connection, her delegation agreed with the remarks of the Finnish representative, and also believed that a pledging conference would not attract substantial additional funding.

18. Mr. EL-FAIHANI (Observer for Bahrain) referred to the seriousness of the oil pollution resulting from the Gulf crisis. Indeed, the spill of some 6 to 8 million barrels was the most serious history had known. The resulting pollution was believed to have had an impact on the atmosphere; a number of expert groups had observed a reduction in heat; and the full extent of the ecological consequences was not yet known. Despite the efforts of many international organizations, it had not been possible to control pollution in the region or estimate its long-term consequences. The region was not at all equipped to deal with such a disaster, and was forced to request assistance from donor countries through UNDP.

19. Mr. AMAZIANE (Observer for Morocco) expressed appreciation to the UNDP Administrator for allocating $4 million to the Gulf Task Force, which had produced extensive documentation concerning requests submitted by affected countries. As a country that had supported the establishment of the Task Force and also had no special interest in it - since it had not submitted a request for assistance - Morocco wished to know whether the Task Force was to be discontinued for lack of available resources, or because it was deemed to have satisfactorily completed its work. Judging from what had been said by the representatives of affected countries, the adverse effects of the Gulf crisis were still being felt. Therefore, perhaps additional funding should be sought, either from Special Programme Resources or through a pledging conference. The Council should bear in mind that some developing countries had not yet had time to study the adverse effects of the crisis on their economies and that their requests might be forthcoming.

20. Mr. YENEL (Observer for Turkey) expressed regret that interest had waned once the immediate crisis had ended. None the less, serious problems, with potentially very serious long-range effects, remained. The Gulf Task Force could still provide very valuable assistance in coordination and resource mobilization. Pending a reply to the question by the Moroccan representative, his delegation considered that the Gulf Task Force should remain in existence.

21. Mr. LAUK (Germany) said that his delegation agreed with the Administrator that the Gulf Task Force had completed its work. In the light of its scarce resources, UNDP should focus on its main role of coordinating technical assistance, particularly in regional projects where it had a significant comparative advantage. His delegation supported the remarks by the Finnish representative.

22. Mr. AL-ARIMI (Observer for Oman) noted that environmental damage resulting from the Gulf crisis persisted. The Gulf Task Force should not be discontinued.

23. Mr. MUTHANA (Yemen) said that Yemen, which was among the countries affected by the Gulf crisis, supported the statements by the representatives of Pakistan and Bahrain.

24. Ms. CUAYO (Observer for the Philippines) agreed with the representatives of Pakistan, Bahrain, Oman and Yemen. The Philippines had also been affected by the Gulf crisis. Her delegation believed that the valuable work carried out by the Gulf Task Force should be continued.

25. Mr. SOUTTER (Canada) supported the German and Finnish statements. His delegation agreed that the Task Force had completed its work and that further activities should be conducted through normal channels. Like the Finnish delegation, his delegation had reservations concerning the magnitude of the proposal by the Development Fund for Women.

26. Mr. ATTIGA (Assistant Administrator), replying to questions by the Moroccan representative and others, said that, in a sense, the Gulf Task Force was being discontinued both for lack of resources and because its work had essentially been completed. The Task Force had been charged with assessing the extent of damage resulting from the Gulf crisis and proposing programmes to seek funding. It had done much to assist individual countries in making their needs known, particularly Jordan, one of the most severely affected countries. However, since it had been decided at the meeting of 16 December 1991 that additional funds should be mobilized bilaterally, the Task Force was not likely to be of significant benefit any longer.

27. The Pakistan proposal submitted at the meeting of 16 December 1991 had arrived too late to be included in document DP/1992/4, and instead had been included in an annex entitled "Project Abstract". Replying to the representatives of Bahrain and Oman, he acknowledged that the need for resources and technical assistance remained substantial, but said that, under the circumstances, environmental problems could be most effectively dealt with at the regional level.

28. He sought guidance from the Governing Council as to whether the UNDP Gulf Task Force should be continued and, if so, whether it should continue under its current mandate or a new one. The urgent problem of resources must also be addressed.

29. Miss JANJUA (Pakistan) requested clarification on the availability of additional resources for proposals contained in document DP/1992/4 (DP/1992/5, para. 11). She wondered whether proposals for country-specific activities to be handled bilaterally would qualify for funding as well. She also wished to know whether or not the Pakistan proposal was eligible for funding, since it was not contained in document DP/1992/4.

30. Mr. ATTIGA (Assistant Administrator) stressed that, in the light of the decision taken at the meeting of 16 December 1991, the problem was not whether or not proposals were contained in document DP/1992/4, but rather whether funds were available at all.

31. Mr. AMAZIANE (Observer for Morocco) stressed that the affected countries had made every effort at the regional, national and international levels to deal with the crisis on their own. However, UNDP, as a multilateral organization, should support such efforts. At its forty-sixth session, the General Assembly had adopted a resolution drawing attention to environmental consequences of the Gulf crisis and appealing to the international community and United Nations organizations for help. It was ironic that the very countries which had voted in favour of the General Assembly resolution would move to discontinue the Gulf Task Force almost immediately thereafter.

32. Mr. EL-FAIHANI (Observer for Bahrain) said his delegation regretted that in the face of so great a disaster as that which had struck the Gulf, the Governing Council could not find the resources to continue the work of the Gulf Task Force. He suggested that in any other region, similar circumstances would have evoked a very different response.

33. The PRESIDENT suggested, in view of the lack of consensus, that the matter should be taken up in informal consultations, with formal debate being resumed later in the week.

34. It was so decided.

PREPARATIONS FOR THE FIFTH PROGRAMMING CYCLE

Follow-up to decision 91/29 (DP/1992/6 and Add.1)

35. Mr. TAL (Director, Planning and Coordination Office) said that consultations had been undertaken and agreements reached with seven of the nine countries where there was a UNDP field office. The agreements reflected the intention of many countries to increase their cooperation with UNDP during the fifth cycle. The progress achieved seemed to demonstrate that decision 91/29 was much less contentious and would be easier to implement than the net contributor provisions of decision 85/16.

36. Subsequently, agreements had been reached with the United Arab Emirates and Bahrain on payment of the cost of the UNDP field offices in those countries. UNDP collaboration with countries having no UNDP field office tended to be much weaker than with those in which there was such an office. There had, however, been some positive developments with some of the smaller countries - Nauru, the Bahamas, the Netherlands Antilles and Aruba - despite that constraint.

37. Kuwait had relinquished its IPF at the beginning of the third programming cycle, but had otherwise continued to participate in all aspects of the programme as a recipient. Because of its de facto status as a net contributor in previous cycles, the intention was to include Kuwait in the group of recipient countries with a per capita GNP above $6,000, for future reporting purposes.

(Mr. Tal)

38. Decision 91/29 had created conditions that should improve the relationship of UNDP with the countries concerned, which should evolve into a mutually beneficial rapport between partners in the United Nations system.

39. Mr. EL-FAIHANI (Observer for Bahrain) said that the experience acquired by UNDP was important to developing countries, as indicated in document DP/1992/6. His Government had already expressed its opinion regarding the UNDP office in Bahrain and its importance to the country's development. UNDP was very concerned with international consultations on ways to improve its programmes, and would continue to play a development role, helping developing countries to rebuild their economies so that they could become full participants on the international stage. He hoped that the Governing Council would support the positions declared by the countries concerned, so as to avoid future conflicts.

40. Mr. ELLIS (United Kingdom) welcomed the steps taken since the adoption of decision 91/29, which was a very positive one. His delegation also welcomed the revision of the rules on charging users of field offices pro rata.

41. The question of reimbursement of the cost of services provided to other United Nations agencies was of great importance and relevance. The data should be made widely available, as there was a need to consider the programme as a whole.

OTHER MATTERS

Progress report on the senior management structure

42. Mr. DRAPER (Administrator) summarized the changes made to date to the structure of UNDP since the previous session of the Governing Council. He stressed that the changes had been made in the context of the 1992-1993 budget, and that there were no financial implications. Extensive consultations had been held with headquarters and field staff with a view to attaining more efficiency in the rapidly changing external environment.

43. A reorganization of the Bureau for Programme Policy and Evaluation had been approved within the existing budget. The Bureau was responsible for translating policy into thematic programmes, and the concepts of human development into action at the field level. It had an advocacy role in regard to the environment, women's affairs, non-governmental organizations, and certain private sector activities. The United Nations Capital Development Fund, the Sudano-Sahelian Office, the Revolving Fund for Natural Resources Exploration, the Fund for Science and Technology for Development, the Division for Global and Interregional Programmes and the United Nations Volunteers programme had also been placed under the Bureau's management. They were thus more closely tied in to the core organization and new synergies were created; for example, the anti-desertification focus of the Sudano-Sahelian Office fitted well into the advocacy of environmental programmes carried out by the

(Mr. Draper)

Bureau. It was a major advantage for the Funds to have a tie-in to the Bureau for purposes of policy and planning.

44. Certain special units such as the Unit for Technical Cooperation among Developing Countries and the Development Fund for Women would continue to report directly to the Administrator.

45. A new Bureau of External Relations was to be established and would include the former Division of Information, renamed the Public Affairs Division, a new Resources Mobilization Unit, the UNDP Office at Geneva, the Liaison Offices in Tokyo and Washington, and a Division of External Relations to include the Governing Council secretariat. Legal advice had been sought on the functioning of the secretariat, and it appeared that it was permissible for the Administrator to make organizational arrangements for it.

46. The Office for Projects Services had undergone an internal management review and a complete restructuring during 1991, the details of which would be set out in the report to the Council at its May 1992 session. Briefly, the restructuring sought to decentralize some of the functions that could be decentralized.

47. For lack of a consensus in the Governing Council, it had been decided not to proceed with the creation of a centralized strategy group. It was felt that the goals of improved strategy formulation and efficient management would best be met through the existing offices.

48. He had previously suggested the appointment of division managers between the bureaux and the field offices. However, after extensive discussions with the Governing Council and UNDP as a whole, including the resident representatives, it had been decided not to create such posts. The existing division chiefs were already able to perform many of the functions he had envisaged, within their budget, without the need for division managers. Other means would be taken to strengthen the division chiefs' management capacity. A pilot project was now being conducted by division chiefs in two subregions, West Africa and Central America, under terms of reference worked out by the field managers, with a view to creating a mutually supportive relationship between the field and headquarters.

49. Resident representatives were to receive increased approval authority for projects: $1 million instead of $750,000. Similarly, regional bureau directors would be authorized to approve up to $3 million for a given project.

50. More collaboration was being sought between resident representatives and division chiefs in field office work plans, as well as in budgetary and administrative matters. The effect would be further decentralization, as such matters would no longer need to be referred to headquarters finance or personnel offices, but would be settled at the division chief level.

The meeting rose at 5 p.m.